

TOWN OF LOCKPORT
LOCKPORT, LOUISIANA
ANNUAL FINANCIAL REPORT

For the Year Ended
June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/2/11

TOWN OF LOCKPORT
LOCKPORT, LOUISIANA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2010

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TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

Our discussion and analysis of the Town of Lockport's (The Town) financial performance provides an overview of financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The basic financial statements provide these insights into the results of this year's operations:

- Net assets increased as a result of this year's operations. On a government-wide basis including all governmental activities and business-type activities, the assets exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$4.7 million. This represents a slight increase of 1.25% over last fiscal year's net assets.
- The governmental funds reported, on a current financial resource basis, combined ending fund balances of \$841,930, a decrease of \$294,537 or 25% from the prior fiscal year.
- At the end of the current fiscal year, unreserved/undesignated fund balance for the general fund was \$439,516, or 53% of total general fund expenditures.
- Net assets of our business-type activities increased by \$215,039 as a result of this year's operations. This increase was due to grants received and improvements and additions for equipment and facilities. Operating revenues increased by over \$6,000 (4.3%) to \$159,512. Operating expenses including depreciation of \$75,125 decreased by \$34,257 (13%).

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The *Government-Wide Financial Statements* (GWFS) – The Statement of Net Assets and the Statement of Activities provide information about the financial activities as a whole and present a longer-term view of finances. *Fund Financial Statements* (FFS) – The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in the *INDEPENDENT AUDITOR'S REPORT*, located immediately following this MD&A, that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the *INDEPENDENT*

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

AUDITOR'S REPORT carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-Wide Financial Statements

One of the most important questions asked about finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about The Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating.

Fund Financial Statements

The Fund Financial Statements provide detailed information about the most significant funds—not The Town as a whole. Some funds are required to be established by State laws or bond covenants.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The Governmental Major Fund presentation is presented on a modified accrual basis of accounting. This is the manner in which the financial plan is typically developed excluding certain timing differences between the budget basis and the generally accepted accounting principle (GAAP) basis. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements.

Proprietary Funds encompass enterprise funds on the fund financial statements. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

While the total columns on the proprietary fund financial statements for enterprise funds is the same as the business-type activities columns on the government-wide financial

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

statements, the governmental major funds total column requires a reconciliation because of the different measurement focus.

The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources and will show capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column in the government-wide statements.

FINANCIAL ANALYSIS OF THE CENTER AS A WHOLE (GWFS)

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. A Condensed Statement of Net Assets follows:

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	\$ 963,450	\$1,159,375	\$ 151,798	\$ 23,161	\$1,115,248	\$1,182,536
Restricted Assets			179,368	191,948	179,368	191,948
Capital Assets	2,250,682	2,132,141	2,048,909	1,953,265	4,299,591	4,085,406
Total Assets	3,214,132	3,291,516	2,380,075	2,168,374	5,594,207	5,459,890
Current Liabilities	121,520	42,215	196,629	97,967	318,149	140,182
Long Term Liabilities	-	-	542,000	644,000	542,000	644,000
Total Liabilities	121,520	42,215	738,629	741,967	860,149	784,182
Invested in Capital Assets	2,250,682	2,112,834	1,407,909	1,215,265	3,658,591	3,328,099
Restricted	-	498,774	173,065	184,079	173,065	682,853
Unrestricted	841,930	637,693	60,472	27,063	902,402	664,756
Total Net Assets	\$3,092,612	\$3,249,301	\$1,641,446	\$1,426,407	\$4,734,058	\$4,675,708

On a government-wide basis, the assets of the Town exceeded its liabilities, resulting in total net assets at the close of the fiscal year of over \$4.7 million. The overall financial position increased during the year. Total net assets of the governmental activities increased by \$58,350 or 1.25% from the previous year, while total net assets of the business-type activities increased by \$215,039 or 15%.

Of the Town's total governmental net assets at the end of the fiscal year, \$841,930 or 27% is unrestricted and may be used to meet ongoing obligations to citizens and

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

creditors. The balance in net assets represents the accumulated results of all past years' operations. By far the largest portion of the Town's net assets (73%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), net of accumulated depreciation less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A condensed Statement of Activities follows:

	Governmental Activities		Business-Type Activities	
	2010	2009	2010	2009
Program expenses:				
General government	\$ 273,066	\$ 337,533		
Streets and Highways	120,507	116,400		
Drainage	58,430	68,514		
Public Safety	432,968	414,345		
Culture and recreation	21,797	20,778		
Sewer			\$230,108	\$287,984
Total Expenses	906,768	957,570	230,108	287,984
Program Revenues:				
Charges for Services	345,157	312,657	159,512	164,976
Operating grants & contributions	61,963	58,516	-	-
Capital grants & contributions	34,291	280,905	-	23,369
Total Program Revenues	441,411	652,078	159,512	188,345
Net Program Income	(465,357)	(305,492)	(70,596)	(99,639)
General Revenues:				
Ad valorem taxes	65,772	64,748		
Sales Taxes	359,919	393,677		
Other Taxes	107,736	64,588		
Other	32,236	63,253	28,635	4,238
Total General Revenues	565,663	586,266	28,635	4,238
Increase/(decrease) in net assets before transfers	100,306	280,774	(41,961)	(95,401)
Transfers (out) in:	(257,000)	(75,000)	257,000	75,000
Increase/(decrease) in net assets	(156,694)	205,774	215,039	(20,401)
Net Assets:				
Beginning of the year	3,249,306	3,078,291	1,426,407	1,446,808
End of the year	\$3,092,612	\$3,284,065	\$1,641,446	\$1,426,407

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

A total of 53% of the revenues from governmental activities were derived from various taxes followed by 10% operating and capital grants and contributions, and 34% for charges for services. Overall expenses in governmental activities decreased by 5.31% or a little over \$50,000 with the most significant decreases in general government services.

All of the operating revenue in business-type activities was received for sewer fees (\$159,512) was for charges for services provided for sewer disposal and maintenance. Other revenue received was for transfers from the sales tax fund. Overall expenses in the business-type activities decreased by 20% or close to \$58,000.

FINANCIAL ANALYSIS OF FUNDS (FUND FINANCIAL STATEMENTS)

As noted earlier, The Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the governmental funds is to provide information on near term inflows, outflows and balances of spendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for funding future operational needs.

Governmental funds reported a combined ending fund balance of \$841,930. This reflected a decrease of \$264,686. This decrease is primarily the result of the events and programs described within the analysis of its governmental activities.

If the assets, liabilities, revenues or expenditures of a governmental fund exceed 10% of the total of all governmental funds, that fund is reported as a major governmental fund in the accompanying fund financial statements. Following is a discussion of the Town's major funds:

The General Fund is the chief operating fund. At the end of the current fiscal year, unreserved and undesignated fund balance totaled \$439,516. The fund balance of the General Fund decreased by 21% during the current fiscal year.

The Sales Tax Fund accounts for the receipt and use of proceeds of the Town's 1% sales and use tax. At the end of the current fiscal year, unreserved fund balance totaled \$310,983 – a decrease of 19% from the prior year.

The Building Maintenance Fund accounts for the receipt and use of proceeds from lease and/or rental of the Town Hall Complex. At the end of the current fiscal year, unreserved fund balance totaled \$91,431 – also a decrease of 43% from the prior year.

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Fees and charges for services in the Sewer Fund were close to \$160,000. Non-operating revenue of \$28,635 and grants and transfers of \$257,000 were also recorded in this fund. Total operating expenses for providing sewer services of \$230,108 resulted in an operating loss of \$70,596. Net assets for the Sewer Fund at June 30, 2010 were \$1,641,446, an increase of \$215,039 from the previous year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised to reflect a net decrease of \$75,259. Supplemental appropriations or authorized budget amendments were necessary and approved as follows:

	<u>Budgeted Amounts</u>		<u>Increase</u>
	<u>Original</u>	<u>Final</u>	<u>(Decrease)</u>
REVENUES			
Ad Valorem Taxes	\$ 65,500	\$ 66,000	\$ 500
Sales and Use Taxes	105,000	84,000	(21,000)
Franchise Taxes	70,000	54,000	(16,000)
Licenses and Permits	162,500	183,000	20,500
Intergovernmental	56,450	162,825	106,375
Fines and Forfeitures	80,500	67,400	(13,100)
Other	12,700	20,496	7,796
	<u>552,650</u>	<u>637,721</u>	<u>85,071</u>
EXPENDITURES			
General government			
Current	193,437	196,384	2,947
Capital outlay	22,000	9,941	(12,059)
	<u>215,437</u>	<u>206,325</u>	<u>(9,112)</u>
Public safety			
Current	370,261	371,307	1,046
Capital Outlay	20,543	20,543	-
	<u>390,804</u>	<u>391,850</u>	<u>1,046</u>
Streets and Highways			
Current	97,011	70,723	(26,288)
Capital outlay	-	48,444	48,444
	<u>97,011</u>	<u>119,167</u>	<u>22,156</u>

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

Drainage

Current	38,291	34,623	(3,668)
Capital outlay	32,000	60,397	28,397
	<u>70,291</u>	<u>95,020</u>	<u>24,729</u>

Culture and Recreation

Current	31,536	15,812	(15,724)
Capital outlay	-	18,235	18,235
	<u>31,536</u>	<u>34,047</u>	<u>2,511</u>

OTHER FINANCING SOURCES (USES)

Transfers In - Sales Tax Fund	209,500	90,500	(119,000)
Net changes in fund balances	<u><u>\$ (42,929)</u></u>	<u><u>\$ (118,188)</u></u>	<u><u>\$ (75,259)</u></u>

CAPITAL ASSETS

The investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2010 and 2009 was \$3,658,591 and \$4,085,407 respectively.

	Governmental Activities		Business-Type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Land	\$ 229,656	\$ 219,723	\$ -	\$ -	\$ 229,656	\$ 219,723
Construction in Progress	43,073	8,375	120,091	-	163,164	8,375
Buildings	1,245,897	1,113,119	-	-	1,245,897	1,113,119
Drainage	1,811,022	1,787,230	-	-	1,811,022	1,787,230
Autos & Trucks	423,399	447,314	-	-	423,399	447,314
Parks	121,190	102,955	-	-	121,190	102,955
Sewer System	-	-	2,830,600	2,779,923	2,830,600	2,779,923
Equipment and Machinery	-	-	58,607	58,607	58,607	58,607
Total Cost	<u>3,874,237</u>	<u>3,678,716</u>	<u>3,009,298</u>	<u>2,838,530</u>	<u>6,883,535</u>	<u>6,517,246</u>
Accumulated Depreciation	<u>1,623,555</u>	<u>1,546,575</u>	<u>960,389</u>	<u>885,264</u>	<u>2,583,944</u>	<u>2,431,839</u>
Net Capital Assets	<u><u>\$2,250,682</u></u>	<u><u>\$2,132,141</u></u>	<u><u>\$2,048,909</u></u>	<u><u>\$1,953,266</u></u>	<u><u>\$4,299,591</u></u>	<u><u>\$4,085,407</u></u>
Depreciation Expense	<u><u>\$ 119,488</u></u>	<u><u>\$ 117,838</u></u>	<u><u>\$ 74,545</u></u>	<u><u>\$ 68,274</u></u>	<u><u>\$ 194,033</u></u>	<u><u>\$ 186,112</u></u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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This year there was \$198,310 of capital additions in the governmental funds and \$170,768 in the business-type fund for building improvements and equipment and \$47,425 of disposals of infrastructure and equipment, reflecting the net increase in capital assets before depreciation.

More detailed information about the capital assets is presented in Note 8 to the basic financial statements.

LONG-TERM DEBT

The Town paid the final payment of \$19,308 on a lease agreement for financing the acquisition of three vehicles in this fiscal year.

On December 1, 1996 the Town issued Sewer Revenue Bonds Series 1995 in the amount of \$1,770,000 in connection with a loan from the State of Louisiana, Department of Environmental Quality (DEQ) to construct sewer improvements constituting the wastewater treatment project. DEQ is holding the bonds as payment for the loan. Revenue bonds outstanding at June 30, 2010 are \$641,000 repayable through 2016 at an interest rate of 2.45% plus a .5% annual administration fee.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Many factors were considered when budgeting for the next fiscal year. Possible new laws and regulations, increased rates and fees that would be charged, and possible new grant funding sources were all considered.

Historically, the office staff and cost remain relatively stable and should continue to do so. The Town is anticipating more capital expenditures in the next fiscal year.

Highlights of next year's General fund budget include:

Beginning Fund Balance	\$	519,505
Projected Revenue		511,750
Projected Expenditures		(740,458)
Projected Other financing sources		<u>32,000</u>
Ending Fund Balance	\$	<u>322,797</u>

TOWN OF LOCKPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Gerard Leonard, Town Clerk
Town of Lockport
710 Church Street
Lockport, LA 70374
985-532-3117

BASIC FINANCIAL STATEMENTS



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Richard Champagne, Mayor
And the Members of the Town Council
Lockport, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Lockport, Louisiana (the Town) as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Lockport, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town of Lockport, Louisiana as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General fund and the major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Honorable Richard Champagne, Mayor
And the Members of the Town Council
Thibodaux, Louisiana
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In accordance with *Government Auditing Standards*, we have also issued a report dated December 13, 2010, on our consideration of the Town of Lockport, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion & Analysis and Required Supplemental Information, as listed in the foregoing table of contents, are not a required part of the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The accompanying financial information listed in the supplementary information section, except for the information contained in the Schedule of Insurance in Force, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Insurance in Force has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Stagni & Company

Thibodaux, LA
December 13, 2010



TOWN OF LOCKPORT, LOUISIANA
Statement of Net Assets
June 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 195,066	\$ 122,089	\$ 317,155
Investments	637,789	92	637,881
Receivable	17,602	-	17,602
Due from other governments	108,983	26,888	135,871
Other assets	4,010	147	4,157
Restricted assets:			
Investments	-	38,040	38,040
Investments	-	141,328	141,328
Capital assets:			
Non-depreciable	272,729	120,091	392,820
Depreciable, net	1,977,953	1,928,818	3,906,771
TOTAL ASSETS	<u>3,214,132</u>	<u>2,377,493</u>	<u>5,591,625</u>
LIABILITIES			
Accounts payable and accrued expenses	154,682	-	154,682
Deferred revenues	150	-	150
Due to others	(33,312)	33,312	-
Accrued interest payable	-	6,303	6,303
Non-current liabilities:			
Due within one year	-	99,000	99,000
Due in more than one year	-	542,000	542,000
TOTAL LIABILITIES	<u>121,520</u>	<u>680,615</u>	<u>802,135</u>
NET ASSETS			
Invested in capital assets, net of related debt	2,250,682	1,407,909	3,658,591
Restricted for:			
Other purposes	-	-	-
Debt service	-	173,065	173,065
Unrestricted	841,930	60,472	902,402
TOTAL NET ASSETS	<u>\$ 3,092,612</u>	<u>\$ 1,641,446</u>	<u>\$ 4,734,058</u>

See notes to financial statements.

TOWN OF LOCKPORT, LOUISIANA
Statement of Activities
As of and for the year ended June 30, 2010

Functions/Programs	Program Revenue			Net (Expense) Revenue and Change in Net Assets		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities
Primary Government:						
Governmental activities:						
General government	\$ 273,066	\$ 276,771	\$ 389	\$ 31,591	\$ 35,665	\$ -
Street and highways	120,507	-	25,594	-	(94,913)	-
Drainage	58,430	-	-	-	(58,430)	-
Public Safety	396,968	68,386	-	2,700	(325,882)	-
Culture and recreation	21,797	-	-	-	(21,797)	-
Total governmental activities	870,768	345,157	25,963	34,291	(465,357)	-
Business-type activities						
Sewer	250,925	159,512	-	49,099	-	(42,314)
Total primary government	\$ 1,121,693	\$ 504,669	\$ 25,963	\$ 83,390	(465,357)	(42,314)
General Revenues:						
Property taxes					65,772	-
Sales taxes					359,919	-
Franchise taxes					55,646	-
Grants and contributions not restricted to specific programs					52,090	-
Unrestricted investment earnings					669	353
Gain on disposal of assets					(34,768)	-
Other					66,335	-
Transfers (to) from other funds					(257,000)	257,000
Change in net assets					308,663	257,353
Net assets - beginning					(156,694)	215,039
Net assets - ending					3,249,306	1,426,407
					\$ 3,092,612	\$ 1,641,446
						\$ 4,734,058

See notes to the financial statements.

TOWN OF LOCKPORT, LOUISIANA
Balance Sheet - Governmental Funds
June 30, 2010

	General Fund	Sales Tax Fund	Building Maintenance Fund	Total
ASSETS				
Cash and cash equivalents	\$ 101,207	\$ 39,720	\$ 54,139	\$ 195,066
Investments	339,098	226,628	72,063	637,789
Receivables:				
Accounts receivable	16,602	-	1,000	17,602
Intergovernmental	64,348	44,635	-	108,983
Other assets	3,860	150	-	4,010
TOTAL ASSETS	\$ 525,115	\$ 311,133	\$ 127,202	\$ 963,450
LIABILITIES				
Accounts payable and accrued liabilities	\$ 153,953	\$ -	\$ 729	\$ 154,682
Deferred revenue	-	-	150	150
Due (from)/ to other funds	(68,354)	150	34,892	(33,312)
TOTAL LIABILITIES	85,599	150	35,771	121,520
FUND BALANCES				
Unreserved, undesignated, reported in:				
General Fund	439,516	-	-	439,516
Special Revenue Funds	-	310,983	91,431	402,414
TOTAL FUND BALANCES	439,516	310,983	91,431	841,930
TOTAL LIABILITIES AND FUND BALANCES	\$ 525,115	\$ 311,133	\$ 127,202	
RECONCILIATION TO THE STATEMENT OF NET ASSETS:				
Amounts reported for <i>governmental activities</i> in the Statement of Net Assets are different because:				
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:				
Non-depreciable capital assets		272,729		
Depreciable capital assets		3,601,504		
Accumulated depreciation		(1,623,551)		2,250,682
NET ASSETS OF GOVERNMENTAL ACTIVITIES				\$ 3,092,612

See notes to the financial statements.

TOWN OF LOCKPORT, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
As of and for the year ended June 30, 2010

	General Fund	Sales Tax Fund	Building Maintenance Fund	Total
REVENUES				
Taxes	\$ 204,476	\$ 276,861	\$ -	\$ 481,337
Licenses and permits	191,046	-	-	191,046
Intergovernmental	105,814	-	26,940	132,754
Fines and forfeitures	68,386	-	-	68,386
Other	17,820	369	114,924	133,113
TOTAL REVENUE	<u>587,542</u>	<u>277,230</u>	<u>141,864</u>	<u>1,006,636</u>
EXPENDITURES				
Current:				
General government	189,794	4,213	46,252	240,259
Public safety	366,723	-	-	366,723
Streets and highways	93,049	-	-	93,049
Drainage	34,731	-	-	34,731
Recreation	16,076	-	-	16,076
Debt service:				
Principal	19,308	-	-	19,308
Interest	1,236	-	-	1,236
Capital outlay	77,208	-	165,732	242,940
TOTAL EXPENDITURES	<u>798,125</u>	<u>4,213</u>	<u>211,984</u>	<u>1,014,322</u>
Revenue over (under) expenditures	(210,583)	273,017	(70,120)	(7,686)
OTHER FINANCING SOURCES (USES)				
Transfers In	90,500	-	-	90,500
Transfers Out	-	(347,500)	-	(347,500)
Total other financing sources (uses)	90,500	(347,500)	-	(257,000)
Net changes in fund balances	(120,083)	(74,483)	(70,120)	(264,686)
FUND BALANCES				
Beginning of year as restated	559,599	385,466	161,551	1,106,616
End of year	<u>\$ 439,516</u>	<u>\$ 310,983</u>	<u>\$ 91,431</u>	<u>\$ 841,930</u>

See notes to financial statements.

TOWN OF LOCKPORT, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
As of and for the year ended June 30, 2010

Net change in fund balances - total governmental funds \$ (264,686)

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 242,940	
Gain on sale of assets	(34,768)	
Depreciation expense		
General government	(32,365)	
Streets and highways	(27,458)	
Drainage	(23,699)	
Public safety	(30,245)	
Culture and recreation	(5,721)	
	(119,488)	88,684

Repayment of long term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consists of:

Capital lease payments	19,308	
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Change in net assets of governmental activities	\$ (156,694)	
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See notes to financial statements.

TOWN OF LOCKPORT, LOUISIANA
Budget Comparison Schedule - General Fund
As of and for the year ended June 30, 2010

	Budgeted Amounts			Variance
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES				
Taxes:				
Ad Valorem	\$ 65,500	\$ 66,000	\$ 65,772	\$ (228)
Sales and Use	105,000	84,000	83,058	(942)
Franchise:				
Entergy	50,000	36,000	37,287	1,287
South Coast Gas	7,000	5,000	5,170	170
Vision Communications	13,000	13,000	13,189	189
Licenses and Permits:				
Occupational Licenses	161,000	180,000	187,986	7,986
Building Permits	1,500	3,000	3,060	60
Intergovernmental:				
Federal -				
Disaster Relief	-	21,835	4,651	(17,184)
State of Louisiana:				
Parish Transportation Program	15,000	23,000	23,039	39
Beer Taxes	6,000	5,200	4,494	(706)
Video Poker	30,000	23,000	24,500	1,500
State Maintenance Contract	2,450	2,450	2,555	105
Other Police	-	794	794	-
State Grants	-	84,046	43,590	(40,456)
Lafourche Parish Council:				
Off Track Betting	3,000	2,500	2,191	(309)
Fines and Forfeitures	80,500	67,400	68,386	986
Other:				
Donations - Lockport Fall Food Festival	7,000	8,500	8,500	-
Donations - Police Department		2,700	2,700	-
Interest Earned	4,000	550	552	2
Other	1,700	8,746	6,068	(2,678)
Total Revenues	552,650	637,721	587,542	(50,179)
EXPENDITURES				
General government				
Current:				
Salaries	87,200	86,650	86,930	(280)
Payroll Benefits	11,515	11,274	11,450	(176)
Retirement	10,152	10,060	10,218	(158)
Dues and subscriptions	3,700	3,500	3,377	123
Utilities, phone and postage	5,800	6,000	6,572	(572)
Rent	1,800	1,800	1,800	-
Vehicle Costs	1,500	500	506	(6)
Professional fees	38,505	40,043	39,942	101
Accounting	2,500	2,800	2,512	288
Bank Charges	720	500	479	21
Insurance	7,700	6,439	6,439	-
Office & maintenance supplies	12,000	14,000	8,174	5,826
Travel	1,000	1,550	1,491	59
Conferences	8,000	8,000	6,636	1,364
Sales tax Collection Fee	945	3	3	-
Other Expenses	400	3,265	3,265	-
Total current expenditures	193,437	196,384	189,794	6,590
Capital outlay	22,000	9,941	15,264	(5,323)
Total General Government	215,437	206,325	205,058	1,267

Public safety

TOWN OF LOCKPORT, LOUISIANA
Budget Comparison Schedule - General Fund
As of and for the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Current:				
Salaries	213,184	213,364	209,059	4,305
Fees paid to witnesses and other agencies	4,116	4,300	4,382	(82)
Payroll Benefits	43,881	44,075	44,365	(290)
Retirement	23,450	25,000	25,450	(450)
Dues and subscriptions	400	727	727	-
Utilities, phone and postage	9,000	8,510	8,953	(443)
Office Rent	7,200	7,200	7,200	-
Vehicle Costs	32,500	32,500	31,954	546
Insurance	16,010	13,204	13,204	-
Office & maintenance supplies	11,000	10,500	10,330	170
Conferences	4,520	6,000	5,648	352
Other	-	927	931	(4)
Uniforms - AMO	5,000	5,000	4,520	480
Total current expenditures	370,261	371,307	366,723	4,584
Debt Service				
Principal Retirement	-	-	19,308	(19,308)
Interest and Fiscal Charges	-	-	1,236	(1,236)
Total debt service	-	-	20,544	(20,544)
Capital Outlay	20,543	20,543	-	20,543
Total Public Safety - Police	390,804	391,850	387,267	4,583
Streets and Highways				
Current:				
Salaries	26,500	14,000	14,023	(23)
Payroll Benefits	6,542	10,670	10,489	181
Retirement	3,577	1,900	1,792	108
Dues and subscriptions	-	-	1,021	(1,021)
Utilities, phone and postage	888	910	910	-
Street Lights	39,665	29,000	33,586	(4,586)
Vehicle Costs	2,391	2,000	1,825	175
Repairs and maintenance	3,701	1,870	20,900	(19,030)
Insurance	2,312	2,016	2,015	1
Maintenance and supplies	8,435	3,300	2,778	522
Shells and Blacktop	2,500	5,000	3,653	1,347
Other	500	57	57	-
Total current expenditures	97,011	70,723	93,049	(22,326)
Capital outlay	-	48,444	2,139	46,305
Total Streets and Highways	97,011	119,167	95,188	23,979
Drainage				
Current:				
Salaries	19,400	21,000	20,550	450
Payroll Benefits	6,054	4,781	4,562	219
Retirement	2,619	2,850	2,825	25
Utilities, phone and postage	869	910	956	(46)
Vehicle Costs	2,136	1,500	1,502	(2)
Repairs and maintenance	2,054	736	692	44
Insurance	2,732	786	786	-
Maintenance and supplies	2,427	2,000	2,801	(801)
Other Expenses	-	60	57	3
Total current expenditures	38,291	34,623	34,731	(108)
Capital outlay	32,000	60,397	41,570	18,827
Total Drainage	70,291	95,020	76,301	18,719

TOWN OF LOCKPORT, LOUISIANA
Budget Comparison Schedule - General Fund
As of and for the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Culture and Recreation				
Current:				
Salaries	5,225	9,200	9,054	146
Payroll Benefits	153	425	413	12
Retirement	685	1,242	1,249	(7)
Utilities, phone and postage	3,418	3,100	3,652	(552)
Insurance	55	55	55	-
Maintenance and supplies	22,000	1,790	1,653	137
Other Expenses	-	-	-	-
Total current expenditures	31,536	15,812	16,076	(264)
Capital outlay	-	18,235	18,235	-
Total Culture and Recreation	31,536	34,047	34,311	(264)
Total Expenditures:				
Current	730,536	688,849	700,373	(11,524)
Debt Service	-	-	20,544	(20,544)
Capital Outlay	74,543	157,560	77,208	80,352
	805,079	846,409	798,125	48,284
Revenues over (under) expenditures	(252,429)	(208,688)	(210,583)	(1,895)
OTHER FINANCING SOURCES (USES)				
Transfers In - Sales Tax Fund	209,500	90,500	90,500	-
Total other financing sources (uses)	209,500	90,500	90,500	-
Net changes in fund balances	(42,929)	(118,188)	(120,083)	(1,895)
FUND BALANCES				
Beginning of year as restated	637,693	584,786	559,599	(25,187)
End of year	\$ 594,764	\$ 466,598	\$ 439,516	\$ (27,082)

TOWN OF LOCKPORT
Budget Comparison Schedule - Sales Tax Fund
As of and for the year ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes - sales and use	\$ 344,000	\$ 275,200	\$ 276,861	\$ 1,661
Interest Earned	1,000	360	369	9
TOTAL REVENUES	<u>345,000</u>	<u>275,560</u>	<u>277,230</u>	<u>1,670</u>
EXPENDITURES				
General Government - Current:				
Rent expense	1,800	1,800	1,800	-
Collection Fee	3,440	2,412	2,413	(1)
TOTAL EXPENDITURES	<u>5,240</u>	<u>4,212</u>	<u>4,213</u>	<u>(1)</u>
Revenues over (under) expenditures	<u>339,760</u>	<u>271,348</u>	<u>273,017</u>	<u>1,669</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers Out:				
General Fund	(209,500)	(90,500)	(90,500)	-
Sewer Fund	(97,000)	(257,000)	(257,000)	-
Total other financing sources (uses)	<u>(306,500)</u>	<u>(347,500)</u>	<u>(347,500)</u>	<u>-</u>
Net change in fund balance	<u>33,260</u>	<u>(76,152)</u>	<u>(74,483)</u>	<u>1,669</u>
FUND BALANCES				
Beginning of year	385,467	385,467	385,466	(1)
End of year	<u>\$ 418,727</u>	<u>\$ 309,315</u>	<u>\$ 310,983</u>	<u>\$ 1,668</u>

TOWN OF LOCKPORT
Budget Comparison Schedule - Building Maintenance Fund
For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Positive</u> <u>(Negative)</u>
REVENUES				
Intergovernmental				
Federal - Disaster Relief	\$ -	\$ 52,125	\$ 3,882	\$ (48,243)
State	-	23,058	23,058	-
Miscellaneous:				
Rental Income	53,978	54,960	54,540	(420)
Interest Earned	576	119	117	(2)
Other	8,712	9,912	60,267	50,355
TOTAL REVENUES	<u>63,266</u>	<u>140,174</u>	<u>141,864</u>	<u>1,690</u>
EXPENDITURES				
General Government:				
Current:				
Salaries	4,800	10,000	10,014	(14)
Payroll Benefits	341	1,020	354	666
Retirement	648	1,350	715	635
Utilities	18,000	14,000	15,628	(1,628)
Repairs and maintenance	11,668	6,822	6,629	193
Insurance	28,200	12,798	12,798	-
Maintenance and Supplies	1,200	389	114	275
	<u>64,857</u>	<u>46,379</u>	<u>46,252</u>	<u>127</u>
Capital Outlay	-	114,643	165,732	(51,089)
TOTAL EXPENDITURES	<u>64,857</u>	<u>161,022</u>	<u>211,984</u>	<u>(50,962)</u>
Revenues over (under) expenditures	<u>(1,591)</u>	<u>(20,848)</u>	<u>(70,120)</u>	<u>(49,272)</u>
FUND BALANCES				
Beginning of year as restated	113,308	113,308	161,551	48,243
End of year	<u>\$ 111,717</u>	<u>\$ 92,460</u>	<u>\$ 91,431</u>	<u>\$ (1,029)</u>

TOWN OF LOCKPORT, LOUISIANA
Statement of Net Assets - Proprietary Fund
June 30, 2010

	Business-Type Activities
	Enterprise Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 122,181
Due from other governmental units	26,888
Due from other funds	2,582
Other assets	147
Total current assets	151,798
Noncurrent assets:	
Restricted assets -	
Cash and cash equivalents	38,040
Investments	141,328
Capital Assets	
Non-depreciable	120,091
Depreciable, net	1,928,818
Net capital assets	2,048,909
Total noncurrent assets	2,228,277
TOTAL ASSETS	2,380,075
LIABILITIES	
Current liabilities:	
Payable from current assets -	
Accrued liabilities	49,992
Contracts and retainages payable	5,440
Due to other funds	35,894
Total Payable from current assets	91,326
Payable from restricted assets:	
Bonds payable within one year	99,000
Accrued interest on bonds	6,303
Total payable from restricted assets	105,303
Total current liabilities	196,629
Non-current liabilities	
Revenue bonds payable	542,000
TOTAL LIABILITIES	738,629
NET ASSETS	
Invested in capital assets, net of related debt	1,407,909
Restricted for debt service	173,065
Unrestricted	60,472
TOTAL NET ASSETS	\$ 1,641,446

TOWN OF LOCKPORT, LOUISIANA
Statement of Revenues, Expenses and Changes in Fund Net Assets
As of and for the year ended June 30, 2010

	<u>Business-Type Activities</u>
	<u>Enterprise Fund</u>
OPERATING REVENUES	
Sewer fees charged	\$ 159,512
OPERATING EXPENSES:	
Salaries	43,570
Payroll benefits	242
Retirement	5,487
Utilities, Phone & Postage	42,348
Insurance	7,593
Vehicle costs	672
Chemicals	5,744
Repairs and maintenance	27,751
Collection fees	14,756
Other	6,820
Depreciation	75,125
	<u>230,108</u>
Operating income (loss)	<u>(70,596)</u>
NON-OPERATING REVENUE (EXPENSES):	
Investment Income	353
Intergovernmental	49,099
Interest and fiscal charges	(20,817)
	<u>28,635</u>
Income (loss) before transfers	<u>(41,961)</u>
Transfer from Sales Tax Fund	257,000
	<u>215,039</u>
CHANGES IN NET ASSETS	
NET ASSETS:	
Beginning of year	1,426,407
End of year	<u>\$ 1,641,446</u>

TOWN OF LOCKPORT, LOUISIANA
Statement of Cash Flows - Proprietary Fund
As of and for the year ended June 30, 2010

	Business-Type Activities
	Enterprise Fund
Cash flows from operating activities:	
Cash received from customers	\$ 159,512
Cash payments to suppliers for goods and services	(48,834)
Cash payments made to employees for services and benefits	(49,299)
Net cash provided (used) by operating activities	61,379
Cash flows from noncapital financing activities:	
Transfer from sales tax fund	257,000
Proceeds from intergovernmental grants	49,099
Net cash provided (used) by noncapital financing activities	306,099
Cash flows from capital and related financing activities:	
Principal paid on revenue bond maturities	(97,000)
Interest paid on revenue bonds	(20,817)
Purchase of capital assets and completion of projects	(150,539)
Net cash provided (used) for capital and related financing activities	(268,356)
Cash flows from investing activities:	
Interest and dividends on investments	353
Net cash provided (used) by investing activities	353
Net increase (decrease) in cash and cash equivalents	99,475
Cash and cash equivalents at the beginning of year	202,074
Cash and cash equivalents at the end of year	\$ 301,549
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ (70,596)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	75,125
Changes in assets and liabilities:	
(Increase) decrease in due from other funds	2,108
(Increase) decrease in due from other governments	(14,000)
Increase (decrease) in accounts payable	49,992
Increase (decrease) in retainages payable	5,440
Increase (decrease) in due to other funds	13,310
Total adjustments	131,975
Net cash provided (used) by operating activities	\$ 61,379

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

The Town of Lockport, Louisiana (the Town) was incorporated May 10, 1899, under the provisions of Act 136 (Lawson Act) of 1898, State of Louisiana. The Town operates under a Mayor-Town Council form of government and provides the following services as authorized by its charter: public safety, streets and highways, drainage, culture-recreation, public improvements, planning and zoning, and general administrative services.

Note 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting methods and procedures adopted by the Town conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the annual financial report. The Town applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions, issued on or before November 30, 1989, for its government-wide financial statements, unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the accounting policies utilized are described below.

A. Reporting Entity

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by the Codification, Section 2100 has been considered and as a result, there are no component units required to be included in the reporting entity.

B. Basis of Presentation and Accounting - Measurement Focus

The government-wide financial statements report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation and Accounting - Measurement Focus (Continued)

Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments and pollution remediation costs, are recorded only when payment is due (matured).

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation and Accounting - Measurement Focus (Continued)

Property taxes, when levied for, intergovernmental revenues, when eligibility requirements are met, parking fines, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. Available has been defined as received within 60 days. All others, primarily licenses, fees and permits, are measurable and available only when cash is received.

The following is a description of the major funds of the Town of Lockport:

Governmental funds:

- *General Fund* - The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those required to be accounted for in other funds. The General fund is always a major fund.
- *Special Revenue Funds* - used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. Special revenue funds reported as major funds in the fund financial statements are as follows:

Sales Tax Fund – To account for the receipt and use of proceeds of the Town's 1% sales and use tax. The revenues derived from the tax are to be used for the purposes of constructing, acquiring, extending and/or improving sewers and sewerage disposal works, waterworks facilities, drainage facilities, streets (including sidewalks and street lighting facilities), public buildings, public parks and fire department and police stations and equipment; purchasing and acquiring equipment and furnishings for the aforesaid public works, buildings, improvements and facilities, title to which improvements shall be in the public, and for the purpose of paying principal and interest on any bonded debt or funded indebtedness of the Town, or for any one or more of said purposes; and such tax to be subject to funding into bonds by the Town in the manner authorized by Sub-Part D, Part 1, Chapter 6, Title 33 of the Louisiana Revised Statutes of 1950 (R.S. 33:2271, et seq.).

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation and Accounting - Measurement Focus (Continued)

Authority has been granted to the Town by the passage of a supplemental proposition by the electors of the Town at an election on May 4, 1985, for the purpose of constructing, acquiring, improving, operating and maintaining solid waste collation and disposal facilities, including purchasing and acquiring the necessary land, equipment and furnishings therefore, title to which shall be in the public, or for any one or more of said purposes.

Authority has been granted to the Town by the passage of a supplemental proposition by the electors of the Town at an election on April 11, 1992, for the use of thirty percent of the proceeds of the tax to be used for any lawful corporate purpose of the Town; or for any one or more of said purposes, and further the Town, if authorized, to fund the proceeds of the tax into bonds for any one or more of said purposes, to the extent and in the manner provided by Sub-Part F, Part III, Chapter 4, Title 39 of the Louisiana Revised Statutes, as amended.

Building Maintenance Fund - To account for the receipt and use of proceeds from lease and/or rental of Town facilities. Notwithstanding any other ordinance to the contrary, revenues which accumulate in this fund shall be used solely for and are hereby dedicated for the payment of operating expenses and capital expenditures incurred directly for the preservation and operation of the physical plant of the Town facilities.

Proprietary Funds

Enterprise Funds –are used to account for operations: (a) that are financed and operated similarly to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Enterprise funds are presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements, the enterprise fund reported as a major fund in the fund financial statements is as follows:

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation and Accounting - Measurement Focus (Continued)

Sewer Fund – To account of the provision of sewer services to residents of the Town. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations maintenance, financing and related debt service, and billing and collection.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation and Accounting - Measurement Focus (Continued)

Operating expenses for enterprise and internal service funds include the cost of operations and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates.

D. Cash and Cash Equivalents and Investments

Cash includes amounts in regular and money market accounts.

State law limits investments in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. The state investment pool (LAMP) operates in accordance with state laws and regulations. It is the Town's policy to limit its investments in these investment types. Investment policies are governed by state statutes and bond covenants.

For purposes of the statement of cash flows, cash and cash equivalents include the investment in the Louisiana Asset Management Pool (LAMP). LAMP is an external pool, which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. Accordingly, the fair value of the Town's position in LAMP is the same as the value of its pool shares.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

F. Interfund Receivables and Payables

During the course of operations transactions occur between individuals funds. These receivables and payables are classified as "due to or due from other funds" on the fund financial statement balance sheet. Transfers represent a permanent reallocation of resources between funds, and are not expected to be repaid.

In the process of aggregating data for the government-wide financial Statement of Net Assets and the Statement of Activities some amounts reported as due to/from balances were eliminated. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on the assets and liabilities within the governmental activities column.

G. Capital Assets

Capital assets, which include land and land improvements, buildings, equipment and infrastructure assets (streets, roads, bridges, canals and sewer and drainage systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town uses a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. At this point the project costs are moved out of construction-in-progress and capitalized. Straight-line depreciation is used based on the following estimated useful lives:

<u>Type of Capital Asset</u>	<u>Number of Years</u>
• Buildings and building improvements	20-40
• Equipment	5-20
• Sewer system and improvements	14-40
• Infrastructure	25-50

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

H. Long-term Debt

In the government-wide statement of net assets and the proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities. In proprietary funds bond premiums, discounts and issuance costs, are deferred and amortized over the life of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bonds payable costs are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize the face amount of the debt issued as other financing sources and the repayment of debt as debt service expenditures.

I. Compensated Absences

Employees of the Town can earn vacation time depending on length of service. Under the terms of the Town's vacation policy, vacation time can be accumulated up to a maximum of forty hours, plus the current year accumulation. On the payroll following the employee's anniversary hire date, the employee will be paid for those hours that exceed the maximum allowed accumulated hours and the accrued vacation hours will be reduced accordingly. The amount of accrued vacation days is immaterial therefore no accrued liability of compensated absences has been reported.

Employees are not limited in the accumulation of sick leave. Employees are not compensated for the accumulated sick leave upon retirement or other termination. Accumulated sick leave lapses at separation of employment therefore no liability for earned and unused sick time is recorded.

J. Restricted Assets

Restricted assets in the enterprise fund – Sewer Fund consists of \$179,277 in specific assets required to be segregated as to use pursuant to restrictions arising from the Sewer Revenue Bond Issue.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

K. Fund Equity

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- Invested in capital assets, (net)—Consists of capital assets net of accumulated depreciation and net of capital related debt.
- Restricted net assets—Consists of net assets with constraints placed on the use by law through constitutional provisions or enabling legislation.
- Unrestricted net assets—All other net assets that do not meet the definition of "restricted" or "invested in capital assets."

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, the unrestricted resources as they are needed.

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. In contrast to reserved fund balances, designated amounts can be changed at the discretion of management.

Note 2 BUDGETS

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. Annual appropriated budgets are adopted for the following governmental funds: general and special revenue. All annual appropriations lapse at year-end.

The Town does not employ encumbrance accounting; under which purchase orders contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

The Town adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Prior to June 15, a proposed operating budget for the year commencing the following July 1 shall be submitted to the Mayor and Town Council by the Town Clerk. The operating budget includes proposed expenditures and the means of financing them.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 2 BUDGETS (Continued)

- The Town Council conducts public hearings to obtain taxpayer comments.
- All actions necessary to adopt and otherwise finalize and implement the budget for an ensuing year are taken prior to the end of the year in progress.
- The level of budgetary control is at the fund, department or project level and any amendment for amounts exceeding any current expenditure amount budgeted must be approved by the Town Council.
- All budgeted amounts, which are not expended, or obligated through contracts, lapse at year end.
- Budgets for all governmental fund types are adopted on a basis consistent with GAAP.

The budget was amended during the year. The financial statements reflect the amended budget amounts.

Note 3 PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Town. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2008. Taxes are due and payable December 31, with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The assessed value, upon which the 2009 levy was based, was \$7,798,670.

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correction of assessments by the assessor is subject to the review and certification by the Louisiana Tax Commission.

For the year ended June 30, 2010, the tax rate was \$8.26 per \$1,000 of assessed valuation on property within the Town for general government services. Total taxes levied were \$64,418.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 4 **DEPOSITS AND INVESTMENTS**

Deposits - Demand (deposits, interest bearing demand deposits and money markets) are recorded at cost, which approximates fair value. At June 30, 2010, the carrying amount of deposits was \$355,287 and the bank balance was \$371,837. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

Custodial credit risk is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2010, none of the entity's bank balance was considered to be exposed to custodial credit risk.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposits insurance or the pledge of securities owned by the fiscal agent bank. The market values of the pledged securities plus the federal deposit insurance (FDIC) must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

FDIC and pledged securities valued at \$1,574,522 (\$371,837 in FDIC and \$1,202,685 in pledged securities), secure these deposits from risk. The collateral must be held at the pledging bank's trust department or other bank, acting as the pledging bank's agent, in the Town's name.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

Investments - All of the Town's investments (\$779,117) are in the Louisiana Asset Management Pool (LAMP), a state and local government investment pool. They have an average maturity of 60 days or less. LAMP is administered by LAMP, Inc., which is a nonprofit corporation organized under the laws of the State of Louisiana formed by an initiative of the State Treasurer in 1993. A board of directors consisting of the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's governs the corporation. These approved investments are carried at cost, which approximate market and may be liquidated as needed.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 4 **DEPOSITS AND INVESTMENTS (continued)**

Custodial credit risk is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. This investment pool has not been assigned a risk category since the Town is not issued securities, but rather owns an undivided beneficial interest in the assets of this pool. As of June 30, 2010, the Town's investment in LAMP was rated AAAm by Standard & Poor's.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. LAMP investments are considered pooled fixed income whose investment maturities are all less than 1 year.

Credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

NOTE 5 **DUE FROM GOVERNMENTAL UNITS**

The amounts due from other governmental units at June 30, 2010 were:

	State of LA	Lafourche Parish School Board	Lafourche Parish Water District No. 1	Other	Totals
Governmental Activities:					
General Fund	\$50,043	\$13,391		\$914	\$64,348
Sales Tax Fund		44,635			44,635
TOTALS	\$50,043	\$58,026		\$914	\$108,983
Business-type Activities:					
Sewer Fund			\$26,888		\$26,888

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 6 CAPITAL ASSETS

A schedule of changes in capital assets follows:

Governmental Activities	Balance 6/30/09	Additions	Deletions	Balance 6/30/10
Capital assets not being depreciated:				
Land	\$ 219,723	\$9,933	\$ -	\$ 229,656
Construction in Progress	8,375	34,698	-	43,073
TOTALS	228,098	44,631	-	272,729
Capital assets being depreciated:				
Buildings	1,113,118	140,474	7,695	1,245,897
Infrastructure	1,787,232	34,278	10,488	1,811,022
Equipment	447,318	5,323	29,242	423,399
Parks	102,955	18,235	-	121,190
TOTALS	3,450,623	198,310	47,425	3,601,508

Less accumulated depreciation:

Buildings	533,986	31,471	6,933	558,524
Infrastructure	712,832	44,755	9,260	748,327
Equipment	271,311	38,978	26,318	283,974
Parks	28,446	4,284	-	32,730
TOTALS	1,546,575	119,488	42,511	1,623,555
Capital assets being depreciated, net	\$ 1,904,048			\$ 1,977,953
Total governmental activities capital assets, net	\$ 2,132,146			\$ 2,250,682

Business-Type Activities	Balance 6/30/09	Additions	Deletions	Balance 6/30/10
Capital assets not being depreciated:				
Construction in Progress	\$ -	\$120,091	\$ -	\$120,091
TOTALS	-	120,091	-	120,091
Capital assets being depreciated:				
Sewer System	2,779,922	50,677	-	2,830,600
Machinery and equipment	58,607	-	-	58,607
TOTALS	2,838,529	50,677	-	2,889,207

Less accumulated depreciation:

Sewer System	858,391	67,865	580	926,836
Machinery and equipment	26,873	6,680	-	33,553
TOTALS	885,264	74,545	580	960,389
Capital assets being depreciated, net	\$1,953,265			\$1,928,818
Total business-type activities capital assets, net	\$1,953,265			\$2,048,909

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 6 **CAPITAL ASSETS (Continued)**

Depreciation expense was allocated to functions of the Town as follows:

Governmental Activities:

General government	\$ 32,365
Streets and highways	27,458
Drainage	23,699
Public Safety	30,245
Culture and recreation	5,722

Total depreciation expense - governmental activities	\$ 119,488
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Business-Type Activities:

Sewer	\$ 74,545
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Note 7 **CAPITAL LEASES**

The Town entered into a capital lease-purchase agreement for financing the acquisition of three vehicles during 2007. The lease agreement qualifies as a capital lease; therefore, the vehicles have been recorded at the present value of the future minimum lease payments as of the date of its inception. The vehicles acquired through capital lease have a net book value of \$31,063, net of accumulated depreciation amounting to \$46,595 at June 30, 2010.

These leases were paid off during this fiscal year. Principal payments for the year totaled \$19,308. There is no balance remaining on the lease at the end of the year.

Note 8 **LONG TERM DEBT**

On December 1, 1996 the Town issued Sewer Revenue Bonds Series 1995 in the amount of \$1,770,000 in connection with a loan from the State of Louisiana, Department of Environmental Quality (DEQ) to construct sewer improvements constituting the wastewater treatment project. DEQ is holding the bonds as payment for the loan. Revenue bonds outstanding at June 30, 2010 are \$641,000 repayable through 2016 at an interest rate of 2.45% plus a .5% annual administration fee.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 8 LONG TERM DEBT (continued)

Bond Requirements and Covenants

Under the terms of the bond indenture outstanding, principal and interest is secured and payable solely from a pledge of the income and revenues to be derived from the operation of the System. All revenues must be deposited in the System and required transfers made to the following funds on a monthly basis after the payment of operating expenses:

a) Sewer Revenue Bond Sinking Fund

Monthly transfers are required to this fund in an amount necessary to make the principal and interest payments as they become due. This fund is restricted for this purpose.

b) Sewer Revenue Bond Debt Service Reserve Fund

The amount in this account represents the highest amount of principal and interest due on each bond issue in future years on the System's outstanding revenue bonds. The fund is restricted to the payment of principal and interest in case of default on the bond issue.

c) Sewer System Renewal and Replacement Fund

Monthly transfers of 5% of gross revenues of the System for the preceding month are required. The fund is restricted to payments for extensions, additions, improvements, renewals and replacements necessary to properly operate the System. It will also be used to pay principal and interest if there are not sufficient funds in the Sewer Revenue Bond Sinking Fund and Bond Debt Service Reserve Fund. However, this fund must contain a minimum of \$60,000 at all times.

The accounting requirements of the bond resolutions, as state in a) through c) above, have been complied with for the year ended June 30, 2010.

A summary of changes in long-term debt of the District is as follows:

	Payable 6/30/09	Debt Incurred	Debt Retired	Payable 6/30/10
Sewer Revenue Bonds, Series 1995	\$738,000		\$97,000	\$641,000

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 8 **LONG TERM DEBT (Continued)**

The annual requirements, including interest, to amortize all long-term debt outstanding are as follows:

Maturity	Principal	Interest	Total
2011	\$99,000	\$18,909	\$117,909
2012	102,000	15,990	117,990
2013	105,000	12,980	117,980
2014	108,000	9,882	117,882
2015	112,000	6,696	118,696
2016	115,000	3,392	118,392
Totals	\$641,000	\$67,847	\$708,847

Note 9 **INTERFUND RECEIVABLES/PAYABLES**

Interfund receivables and payables for the individual funds were:

INDIVIDUAL FUND	INTERFUND RECEIVABLE	INTERFUND PAYABLE
General Fund	\$70,936	\$2,582
Building Maintenance Fund		34,892
Sales Tax Fund		150
Sewer Fund	2,582	35,894
Totals	\$73,518	\$73,518

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 10 OPERATING TRANSFERS

A reconciliation of operating transfers for the year ended June 30, 2010 is as follows:

INDIVIDUAL FUND	TRANSFERS IN	TRANSFERS OUT
General Fund	\$90,500	
Sales Tax Fund		\$347,500
Sewer Fund	247,000	
Totals	\$347,500	\$347,500

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, maintaining debt service on a routine basis, or in accordance with budgetary authorizations.

Note 11 RISK MANAGEMENT

The Town is exposed to various risks of loss related to general liability, auto, workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; group health benefits; and natural disasters for which the Town carries commercial insurance. No settlements were made during the year that exceeded the Town's insurance coverage.

Note 12 COMMITMENTS AND CONTINGENCIES

The Town received funding under grants from various state governmental agencies. The agency grants specify the purpose for which the grant monies are to be used; the grants are subject to audit by the granting agency or its representative.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 13 PENSION PLANS

Employees of the Town, with the exception of the policemen, are members of the Municipal Employees' Retirement System of Louisiana. Full-time policemen, not participating in the Federal Social Security System, are members of the Municipal Police Employees' Retirement System of Louisiana (MPERS).

A. Municipal Employees' Retirement System

Plan Description – The Town contributes to Plan A of the Municipal Employees' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit public employee retirement system, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 356 of the 1954 Louisiana Legislative Session established the plan. Act 569 of the 1968 Louisiana Legislative Session provided an optional method for municipalities to cancel Social Security and come under supplementary benefits in the System, effective on and after June 30, 1970. Effective October 1, 1978, under Act 788, the "regular plan" and the "supplemental plan" were replaced, and are known as "Plan A" and "Plan B". Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan B participates in only original plan. The System is governed by Louisiana Revised Statutes 11:1731 through 11:1884, specifically, and other general laws of the State of Louisiana. The System issued a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Blvd., Baton Rouge, Louisiana 70809.

Funding Policy – Plan members are required to contribute 9.25% of their annual covered earnings, and the Town is required to contribute at an actuarially determined rate. The current rate is 13.5% for July 2009 to June 2010. In addition, the system also receives a percentage of tax revenues from various taxing bodies. The contribution requirements of plan members and the Town are established and may be amended by state statute. The Town's contribution to the system for the years ended June 30, 2010, 2009 and 2008 were \$ 22,286, \$21,342, and \$19,141, respectively, equal to the required contribution for each year.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 13 PENSION PLANS (Continued)

B. Municipal Police Employees' Retirement System

Plan Description – The Town contributes to the Municipal Police Employees' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit public employee retirement system, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustment to plan members and beneficiaries. Act 189 of the 1973 Louisiana Legislative Session established the plan.

The System is governed by Louisiana Revised Statutes 11:2211 through 11:2234, specifically, and other general laws of the State of Louisiana. The System issued a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Municipal Police Employees' Retirement System of Louisiana, 7722 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Funding Policy – Plan members are required to contribute 7.5% of their annual covered earnings excluding overtime but including state supplemental pay, and the Town is required to contribute at an actuarially determined rate. The current rate is 24.0%. In addition, the System also receives a percentage of insurance premiums. The contribution requirements of plan members and the Town are established and may be amended by state statute. The Town's contributions to the System for the years ended June 30, 2010, 2009 and 2008 were \$25,450, \$21,442, and \$24,122, respectively, equal to the required contributions for each year.

Note 14 ON BEHALF PAYMENTS FOR SUPPLEMENTAL PAY

The Town recognizes as revenues and expenditures salary supplements, which includes the police that the State of Louisiana has paid directly to the Town's employees. As of June 30, 2010, the total on-behalf payments made amounted to \$36,000.

TOWN OF LOCKPORT
Notes to the Financial Statements
For the Year Ended June 30, 2010

Note 15 OTHER REQUIRED DISCLOSURES

As of February 2001, Lafourche Parish Water District #1 began billing and collecting sewer fees for the Town of Lockport. The Water District remits the fees to the Town, less and eight percent collection fee.

The aggregate dollar amount collected for Sewer Services during the year ended June 30, 2010 was \$159,222 for services to an average of 1,101 customers per month (unaudited) for 12 months resulting in an average monthly billing of \$12.00 per user. The number of users at the end of the fiscal year was 1,099 (unaudited).

As of June 30, 2009 the Town of Lockport charged the following rates for all sewer services furnished by the System, as follows:

- First 2,000 gallons per month \$5.00 per 2000 gallons
- over 2,000 gallons per month \$1.93 per 1,000 gallons

***REQUIRED SUPPLEMENTARY
INFORMATION***

SCHEDULE OF INSURANCE IN FORCE

Town of Lockport, Louisiana

June 30, 2010

(UNAUDITED)

Name of Insurer	Policy From	Policy To	Details of Coverage	Amount
Louisiana Citizens Property Insurance Co.	9/23/2009	9/23/2010	Property Coverage Town Hall Town Hall Contents Sewer Plant Contents The Locks Boatbuilding Museum	1,000,000 150,000 25,000 145,000 300,000
CNA Surety Bond	1/30/2010	1/30/2011	Fidelity Bond - Mayor	5,000
CNA Surety Bond	7/16/2010	7/16/2011	Fidelity Bond - Town Clerk	10,000
CNA Surety Bond	6/26/2010	6/26/2011	Fidelity Bond - Mayor Pro Tem	5,000
CNA Surety Bond	12/13/2009	12/13/2010	Fidelity Bond - Admin Clerk	2,000
Louisiana Municipal Risk Management Agency	1/1/2010	1/1/2011	Workmen's Compensation	LA Statutes
Louisiana Municipal Risk Management Agency	9/21/2009	9/21/2010	Commercial General Liability Premises per occurrence Medical per person Medical per accident Fire Legal per occurrence	500,000 500,000 1,000 10,000 50,000
Louisiana Municipal Risk Management Agency	9/21/2009	9/21/2010	Automobile Liability Deductible	500,000 none
Louisiana Municipal Risk Management Agency	9/21/2009	9/21/2010	Law enforcement Officer Deductible per occurrence	500,000 1,000
Louisiana Municipal Risk Management Agency	9/21/2009	9/21/2010	Errors and Omissions Deductible per occurrence	500,000 1,000
ESSEX Insurance Company	9/21/2009	9/21/2010	Commercial Auto Physical Damage Comp/Collision (Schedule vehicles) Deductible (per unit) Comprehensive Collision as scheduled	ACV or Cost 500

TOWN OF LOCKPORT, LOUISIANA
COMPENSATION PAID TO MEMBERS OF THE TOWN COUNCIL
For the year ended June 30, 2010

<u>Name</u>	<u>Office</u>	<u>Compensation</u>	<u>Per Diem*</u>
Richard Champagne	Mayor	\$ 12,000	\$ -
Donovan Barker	Councilman	-	2,450
Paul A. Champagne	Councilman	-	2,450
Rodney R. Hartman	Councilman	-	2,450
Craig Rogers	Councilman	-	2,350
Weldon Triche	Councilman	-	2,450
		<u>\$ 12,000</u>	<u>\$ 12,150</u>

* Per diem is paid at the rate of \$100 for attendance at one monthly regular meeting per month and \$50 for attendance at special meeting when called by the Town of Lockport.

REPORTS REQUIRED BY GAO



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Richard Champagne, Mayor
And the Members of the Town Council
Lockport, Louisiana

We have audited the financial statements of the governmental activities, business-type activities and each major fund of the Town of Lockport, Louisiana (the Town) as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements, and have issued our report thereon dated December 13, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect or correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, Louisiana
December 13, 2010



TOWN OF LOCKPORT, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2010

We have audited the financial statements of the Town of Lockport, Louisiana as of and for the year ended June 30, 2010, and have issued our report thereon dated December 13, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our audit of the financial statements resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No
Significant Deficiencies ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

b. Federal Awards

N/A - NONE

Internal Control

Material Weaknesses ☐ Yes ☐ No Significant Deficiencies ☐ Yes ☐ No

Type of Opinion On Compliance Unqualified ☐ Qualified ☐

For Major Programs Disclaimer ☐ Adverse ☐

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)? ☐ Yes ☐ No

c. Identification of Major Programs

N/A - NONE

CFDA Number (s) _____ Name of Federal Program (or Cluster) _____

Dollar threshold used to distinguish between Type A and Type B programs: \$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? ☐ Yes ☐ No

Section II - Financial Statement Findings

NONE

Section III - Federal Award Findings and Questioned Costs

NOT APPLICABLE

